

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re:

Case No. 1-24-41125-ESS
Chapter 11

Fraleg Jefferson Corp.
dba Fraleg Quincy Corp
dba 931 Lincoln Place Corp

Debtor

-----X

**NOTICE OF MOTION FOR AN ORDER PURSUANT TO
11 U.S.C. § 362(d) GRANTING IN REM RELIEF FROM THE AUTOMATIC STAY**

PLEASE TAKE NOTICE that a hearing, a telephonic or video conference, will be held to consider the motion of Wilmington Savings Fund Society, FSB, as Owner Trustee of the Residential Credit Opportunities Trust VIII-B, by its attorney Sherri J. Smith, for an order pursuant to Rule 9014 of the Federal Rules of Bankruptcy Procedure (i) granting In Rem relief from the automatic stay, imposed by 11 U.S.C. § 362(a) pursuant to FRBP 4001, 11 U.S.C. §§ 105(a), and 362(d)(1) and 362(d)(1), permitting Movant leave to take any and all action under applicable state law to exercise its remedies against the property located at **15 Jefferson Avenue, Brooklyn, NY 11238** (hereinafter the "Property"); (ii) granting \$1050.00 in reasonable attorney's fees and \$199.00 for the filing fee necessary to bring the Motion; and (iii) for such other further and different relief as may seem just, proper and equitable.

PLEASE TAKE FURTHER NOTICE, that any party that wishes to appear at the Hearing is required to register in advance of the Hearing by using the Court's eCourt Appearances, which can be located at: <https://www.nyeb.uscourts.gov/registering-remote-hearing-appearance-using-ecourt-appearances>.

The hearing will be held before this Court as set forth below:

U.S. Bankruptcy Judge: Honorable Elizabeth S. Stong

U.S. Courthouse: U.S. Bankruptcy Courthouse
Conrad B. Duberstein U.S. Courthouse
271-C Cadman Plaza East
Brooklyn, NY 11201-1800

Return Date and Time: April 11, 2024 at 10:30 am

Dated: March 20, 2024
Uniondale, New York

Pincus Law Group, PLLC

By: /s/ Sherri J. Smith
Sherri J. Smith
Attorneys for Movant
425 RXR Plaza
Uniondale, New York 11556
(516) 699-8902

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re:

Case No. 1-24-41125-ESS
Chapter 11

Fraleg Jefferson Corp.
dba Fraleg Quincy Corp
dba 931 Lincoln Place Corp

Debtor

-----X

**AFFIRMATION IN SUPPORT OF
MOTION FOR IN REM RELIEF FROM AUTOMATIC STAY**

Sherri J. Smith, an attorney admitted to practice before the Eastern District of New York Bankruptcy Court, hereby affirms under penalty of perjury that:

1. I am an associate with the firm of Pincus Law Group, PLLC, the attorneys for Wilmington Savings Fund Society, FSB, as Owner Trustee of the Residential Credit Opportunities Trust VIII-B (hereinafter, "**Movant**"). I am familiar with the facts set forth herein based upon information and documentation supplied to me by Movant. I make this affirmation in support of the motion of Movant for an In Rem Order: (i) pursuant to 11 U.S.C. § 362(d) providing that the automatic stay imposed by 11 U.S.C. § 362(a) be modified and terminated to permit Movant, its successors, agents, or assigns, to pursue their rights under the Note and Mortgage, as more particularly described in the Motion, and under applicable law, including, without limitation, the consummation of foreclosure proceedings with respect to the premises located at **15 Jefferson Avenue, Brooklyn, NY 11238** (hereinafter, the "Property") by virtue of Rules 4001 and 9014 of the Federal Rule of Bankruptcy Procedure and § 362(d)(1) and § 362(d)(2) of the Bankruptcy Code; (ii) granting \$550.00 in reasonable attorney's fees and \$199.00 for the filing fee necessary

to bring the Motion, and (iii) granting Movant such other further and different relief as may seem just, proper and equitable.

2. The Court has jurisdiction pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

3. Fraleg Jefferson Corp. (the "Debtor") for the purpose of securing to TAM Lending Center, Inc. (hereinafter, the "Original Mortgagee") payment of the principal sum of \$1,800,900.00, with interest thereon, on or about December 10, 2019 for a valuable consideration, executed and delivered to the Original Mortgagee a note dated on that day (hereinafter "Note"), whereby the Debtor undertook and promised to pay to the Original Mortgagee the principal sum and interest thereon at the rate provided for therein. The Note is annexed hereto as Exhibit "A".

4. As collateral security for the payment of indebtedness, the Debtor executed and delivered to the Original Mortgagee a mortgage (hereinafter "Mortgage") dated December 10, 2019, and recorded in the office of the City Register of the City of New York, State of New York on January 6, 2020 in CRFN: 2020000003494. The Mortgage is annexed hereto as Exhibit "B".

5. The Note was delivered to Movant. *See Exhibit "A".*

6. The Mortgage was assigned to WILMINGTON SAVINGS FUND SOCIETY, FSB, AS OWNER TRUSTEE OF THE RESIDENTIAL CREDIT OPPORTUNITIES TRUST VIII-B, by Assignment of Mortgage dated October 5, 2023, recorded in the City Register of the City of New York, State of New York on November 13, 2023 in CRFN: 2023000293710. *See: Exhibit "C".*

7. Movant is the present owner and holder of the Note and Mortgage on the Property.

8. The Mortgage constitutes a lien upon the Property.

9. The Debtor defaulted under the Note and Mortgage by failing to timely pay the payment due on or before March 1, 2020, and the default is continuing.

10. The final payment on the Note and Mortgage was due in January of 2021, and therefore the Note and Mortgage matured and was due to be paid in full in January of 2021.

11. Movant, as holder of the Note and Mortgage, commenced a foreclosure action with respect to the Note and Mortgage and desires to continue its action to foreclose upon the Mortgage.

12. On March 14, 2024, the Debtor filed the instant voluntary petition for relief with the Court pursuant to Chapter 11 of the Bankruptcy Code. By reason of the Debtor having filed the Petition, Movant, the holder of the Note and Mortgage, is presently stayed from proceeding with any action under applicable state law to exercise its remedies against the Property.

13. Previously, on October 9, 2023, the Debtor, filed a voluntary petition for relief with the Court pursuant to Chapter 11 of the Bankruptcy Code, Docket No. 23-43087. This bankruptcy was subsequently dismissed on November 17, 2023 for Debtor's failure to be represented by Counsel and the case was terminated on December 8, 2023.

14. On December 8, 2022 the Debtor filed a voluntary petition for relief with the Court pursuant to Chapter 11 of the Bankruptcy Code, Docket No. 22-43064. This bankruptcy was subsequently dismissed on October 13, 2023, and terminated on January 18, 2024. The Movant's predecessor filed a Motion for Relief from the Stay on February 16, 2023 with respect to the subject property, which was granted by the Court on June 20, 2023. An Amended Order Granting Relief was entered on October 13, 2023. The Bankruptcy Dockets are attached hereto as Exhibit "D".

15. Annexed hereto as Exhibit "E" is the In Rem Relief from Stay - Real Estate and Cooperative Apartments (the "Bankruptcy Worksheet"), as required by General Order 347 of this Court.

16. Movant should be granted In-Rem relief from the Automatic Stay due to the Debtor's multiple bankruptcy filings affecting the real property which establishes sufficient cause to grant it In Rem relief from the Automatic Stay, 11 U.S.C. § 362(d)(4). The actions of the Debtor and the has caused Movant significant delay in proceeding with the foreclosure action in state court since 2022. Specifically, foreclosure sales were previously scheduled for December 8, 2022, October 19, 2023 and March 14, 2024 which were stayed by the Debtor's bankruptcy filings.

THERE IS NO EQUITY IN THE PREMISES

17. The amount due on the Note and Mortgage as of the date of the petition of March 14, 2024 is \$5,544,080.90. According to Debtor's Schedule D the fair market value of the property is \$2,350,000.00.

18. Therefore, the Movant is entitled to In-Rem relief from the automatic stay because the elements of § 362(d)(2) are met. No equity remains in the Premises because the outstanding obligation owed to the Movant exceeds the value of the Premises and the Premises is not necessary to an effective reorganization as this is a Chapter 11 case. § 362 (d)(2) provides that the automatic stay should be terminated where the Debtor does not have any equity in such property and such property is not necessary to an effective reorganization.

19. It is respectfully submitted that cause exists to vacate the automatic stay as the Debtors are in default under the terms and provisions of the Note and Mortgage. The Movant's interest in the Premises would not be adequately protected should the automatic stay

remain in place, the Debtor has no equity in the property and the property is not necessary to an effective reorganization.

CONCLUSION

20. As a result of the Debtor's default on the Note and Mortgage, Movant has been required to protect its security interest by the filing of this Motion and is therefore entitled to the attorney's fees and costs of this Motion. Moreover, the mortgage held by Movant provides that the Debtor shall pay to it all sums expended by it due to the default, including reasonable attorney's fees. Movant has expended the following sums in relation to the Motion: \$1050.00 in reasonable attorney's fees and a \$199.00 filing fee.

21. It is evident from all of the above that the Movant is entitled to In Rem relief from the Automatic Stay. Accordingly, Movant requests that the Proposed Order, annexed hereto as Exhibit "F", be signed as submitted and entered on the docket. The Proposed Order was served on all interested parties.

WHEREFORE, it is respectfully requested that an Order be issued vacating the Automatic Stay by virtue of 11 U.S.C. § 362(d)(1) and 11 U.S.C. § 362(d)(2) as to Movant; granting Movant, its agents, assigns or successors in interest leave to take any and all action under applicable state law to exercise its remedies against the Property; granting attorney fees and costs; and for such other further and different relief as may seem just, proper and equitable.

Dated: March 20, 2024
Uniondale, NY

PINCUS LAW GROUP, PLLC

By:/s/ Sherri J. Smith
Sherri J. Smith
Attorneys for Movant
425 RXR Plaza
Uniondale, New York 11556
(516) 699-8902

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re:

Case No. 1-24-41125-ESS
Chapter 11

Fraleg Jefferson Corp.
dba Fraleg Quincy Corp
dba 931 Lincoln Place Corp

Debtor.

-----X

FRCP 55 AFFIDAVIT

I am an associate in the firm of Pincus Law Group, PLLC, the attorneys for the Movant
Wilmington Savings Fund Society, FSB, as Owner Trustee of the Residential Credit Opportunities
Trust VIII-B, and am admitted to practice before this Court. I represent that upon information
and belief, the Debtor is a corporation and not eligible for military duty.

Dated: March 20, 2024
Uniondale, New York

PINCUS LAW GROUP, PLLC
By: /s/ Sherri J. Smith
Sherri J. Smith
Attorneys for Movant
425 RXR Plaza
Uniondale, New York 11556
(516) 699-8902